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REPORT

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COUNTRY

East Germany/USSR

DATE DISTR. 17 September 1953

SUBJECT

Ministry of Mining and Smelting
25X1

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1. The 1953 Organizational Plan for the Ministry of Mining and Smelting, which provided for 387 slots for the Ministry, was approved in early April 1953 by the State Organizational Planning Commission of the Central Commission for State Control. ^{1/} The following are the leading personnel in the Ministry:

Minister: Fritz Selbmann
State Secretary: Richard Goschuetz
Legal Advisor: Dr. Franz Woytt
Controls: Slot not yet filled
Chief, Cadre Department: Rudolf Raimolla
Chief, Labor Department: Engler (fnu)
Chief, Planning Department: Gerhard Heerde
Chief, Investment Department: Pacher (fnu)
Chief, Material Procurement Department: Hans Joachim Kolter
Chief, Department for Research and Technical Development: Helmut Salnewitz
Chief, Commercial Department: Richard Zibat
Chief, Marketing Department: Generlich (fnu)
Chief, Department for Surveying and Plotting Mines: Slot not yet filled
Chief, Budget Department: Kurt Heinrich
Chief, General Administration Department: Guenther (fnu)
Chief, Motor Pool (Fahrbereitschaft): Karl Sanders

Main Administration for the Iron Industry (HVE-Eisenindustrie)

Chief: Rudolf Steinwand
Technical Director: Kempony (fnu) - formerly technical director of
Stahlwerk Riesa
Leading Personnel: Willi Salzer
Guenter Niestroy

Main Administration for the Nonferrous Metals Industry (HV NE-Metallindustrie)

Chief: Dr. Dieter Zauleck
Technical Director: Bulla (fnu) or Enghardt (fnu) 2/

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Leading Personnel: Walter Fruehbuss
Braetsch (fnu)

2. The Ministry is completely responsible for working out production plans for the mining and smelting industry. It formulates plans and submits them to the State Planning Commission, which then returns to the Ministry the production plans broken down in rough categories. The Ministry then forwards the production plans, worked out in detail, to the various factories; factories are previously consulted about the production plans and in theory have the right to make counter-proposals. The Ministry determines the production plan of a given plant for a given year on the basis of the plan fulfillment of the previous year and the available industrial capacity, adding the new capacities created by expansion of the plant, its equipment, new construction, etc. The possible production plan forwarded to the State Planning Commission is the sum total of the various plant production plans. As a rule, the version of the production plan returned by the State Planning Commission is higher than that turned in by the Ministry. The State Planning Commission calculates the needs of East Germany, probable imports and exports and, as a rule, makes arbitrary corrections of the demands, lowering the figures and, in correcting the production plan, raises the figures.
3. Policy decisions of a technological nature which come under the jurisdiction of the Ministry are worked out by the appropriate technical departments of the Ministry. In the case of policy decisions, it is necessary to distinguish between regulations (Verordnungen), orders (Anordnungen), and directives (Anweisungen). Regulations are handed down by the East German Council of Ministers. The Ministry makes proposals which, before they go to the Council of Ministers, have to be coordinated with other Ministries which could possibly be affected by the regulations. Such a proposal is then submitted to the Council of Ministers, which votes upon it. If the proposal is accepted, it is incorporated as a regulation into the Law Book of East Germany (Gesetzblatt der DDR) and is considered effective from date of publication. Orders and directives, on the other hand, come only from the Minister. These two are also published in the Law Book.
4. In East Germany copper, in the form of electrolytic copper, refined copper and wire bars, is produced at the following plants: Mansfeld Kombinat "Wilhelm Pieck", Eisleben; Berliner Metallhuetten- und Halbzeugwerke; Anker- und Blechwalzwerk "Michael Niederkirchner", Ilsenburg; and SAG-Hettstedt. Up to the present, the raw material (Vormaterial) for sub-contract work on copper has come almost exclusively from Czechoslovakia. East German plants take on as much sub-contract work as their free capacity permits. Contracts for sub-contract work are concluded for one year. Negotiations for the 1953 contract with Czechoslovakia were still in progress as of mid-April 1953. The contract had not been concluded because Czechoslovakia and East Germany had not been able to come to terms on the cost of the work. Czechoslovakia wanted to pay only 98 DM per ton of copper, whereas Mansfeld Kombinat demanded 130 DM per ton. About the same amount of sub-contract copper is processed each year.
5. Raw materials for the East German copper industry are almost exclusively Mansfeld copper ores. The 1953 planned copper content for these ores amounts to 10.23 kilograms per metric ton. Approximately one-third of East German copper stays in East Germany each year. The remaining two-thirds goes to the USSR directly or to SAG Hettstedt, which delivers almost exclusively to Russia.
6. The following is the copper production plan for the Mansfeld-Sangershausen area for the years 1953 through 1960:

Copper ore	1953	1,410,000 metric tons
	1954	1,500,000 metric tons
	1955	1,600,000 metric tons
	1956 thru 1960	1,800,000 metric tons (average per year)

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Copper production

From the copper ore	1953	About 13,000 metric tons
	1954	About 14,000 metric tons
	1955	About 17,000 metric tons
	1956 thru 1960	About 17,000 metric tons average per year

7. No definite plan figures on investments and labor personnel are available for the years 1955 through 1960. There will probably be no essential increase in labor during the coming years. At present, about 22,000 persons, including administrative personnel, are employed by the Mansfeld Kombinat.
8. Copper and lead are imported only from the Soviet Union. Zinc is imported from Poland, but only in insignificant quantities; in 1953 only 650 metric tons of zinc are to be imported.
9. Zinkhütte Freiberg is to begin production in 1955. Approximately 10,000 metric tons of zinc are to be produced each year. The zinc is to be produced by the Moss metallurgical process. By this process zinc ores are first roasted, and sulphur is thereby removed from the ores. The ore is then ground and put into a solvent-treating container (Loesebehälter) where it is leached out (ausgelaut). By this method cathodes are obtained. According to present plans, the zinc thus obtained should be 99.9 percent pure. Zinc ore is mined in the Freiberg minefields. There are strong differences of opinion as to how much ore will have to be mined in order to achieve the planned production of 10,000 metric tons per year.
10. The 1953 production plan for tin is as follows:

Crude tin	476 metric tons
Refined tin	140 metric tons
Bearing metal	400 metric tons
Soldering tin	300 metric tons

Crude tin is metallurgical tin in anode form. It has a purity of 99 percent and contains traces of bismuth and copper. Tin in this form is used for various types of alloying. Refined tin is pure tin which has been obtained by submitting crude tin to electrolysis; it is 99.6 percent pure and is used for various purposes where pure tin is required. Bearings metal and soldering tin are obtained from residue. They contain such impurities as lead, antimony and copper. Tin in this form can be used in many varied ways. The process by which crude tin is obtained is similar to that used in obtaining copper.

11. The following is the 1953 distribution plan for pig iron and steel:

Pig iron

Production according to the 1953 plan	1,200,000 metric tons
Distribution	
Ministry for Machine Construction (sic)	190,000 metric tons
Ministry for Mining and Smelting	855,000 metric tons
LAG's	155,000 metric tons

Crude steel

Production according to 1953 plan	2,183,000 metric tons
Distribution	
Ministry for Machine Construction (sic)	760,000 metric tons
LAG's	700,000 metric tons
Ministry for Construction	205,000 metric tons
Ministry for Mining and Smelting	144,000 metric tons
Ministry for Traffic	105,000 metric tons
State secretariat for Coal and Power	73,000 metric tons
Former Laender and other Allies	196,000 metric tons

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12. Following are the raw material requirements for East German Iron and steel production:

Iron production

Eisenhuettenkombinat Ost (EKO)

Steel pig	456,000 metric tons
Spiegeleisen	42,000 metric tons
Siemattite	72,000 metric tons

Eisenwerke West, Calbe (EW)

Foundry iron	200,000 metric tons
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The average charge per metric ton of crude steel is 350 kilograms of steel pig and 800 kilograms of scrap. The crude steel production plan for 1953 amounts to 2,183,000 metric tons. 3/

13. East Germany has iron ore deposits in Thuringia and in the Harz Mountains. There are no manganese ore deposits in East Germany. The average refined iron content of East German ores is 29 percent. Iron ores are delivered from the mines to the following smelter plants: Maxhutte, EKO, and EW. Besides the above-mentioned ores, EW receives bog iron ore from the Lagger marsh and from Baderleben. These ores have a low iron content and are very sour. Since they can be smelted only in low shaft furnaces, furnaces of this type are now being built at EW. Before being put into the blast furnaces or low shaft furnaces, the iron ores are ground or sintered, as required. Ores for the production of nonferrous metal are further processed before going to the smelters; that is, they are made into concentrates. The techniques used differ basically in every plant and are adapted in detail to the installations at the plant.
14. At present the only nickel ore deposits in East Germany are in the Freiberg Bezirk. It is alleged, however, that nonferrous metal ore deposits have recently been discovered in the vicinity of Hermadort, Thuringia. It is not clear at present what the capacity of these deposits will be and the opinions of technical men differ greatly.
15. EW has no blast furnaces, - only low-shaft furnaces. At present ten such furnaces are in operation. In the course of 1953, the following five additional furnaces are to be put into operation:
- 1 furnace on 1 September 1953
 - 1 furnace on 1 October 1953
 - 1 furnace on 1 November 1953
 - 1 furnace on 1 December 1953
 - 1 furnace on 21 December 1953
- Each of these furnaces is a 50-ton furnace. EW plans to place 64 metric tons in each furnace every day. In the beginning the quality of the iron ore used in the furnaces was very poor, but it has gotten better in the course of time and is now the type of ore normally used.
16. At present, four blast furnaces are in operation at EKO. A fifth furnace was to begin production on 1 May 1953, but it is probable that it will not be put into operation until 15 June 1953. A sixth furnace is to start production on 1 September 1953; it is not known at present whether this deadline will be met. All these furnaces have a planned capacity of 500 tons per day, but up to the present the planned capacity has not been realized. Ores for the blast furnaces are delivered from the Soviet Union. The ores are from Krivoy Rog and have a fine ore content of about 60 to 65 percent. The USSR has in the past made its deliveries on schedule. At times EKO has not kept up with planned production, however, and as a result there are large stocks of ore at the plant.

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17. There are no blast furnaces in use at Brandenburg, only Siemens-Martin furnaces, which operate on a scrap base. At present, eight such furnaces are in use. Two additional furnaces are to be constructed in 1953 and to be in operation by the end of the year.
18. Riesa did not receive a new rolling mill in 1952. A new pipe works was planned and was to have been delivered in 1951 by Schloemann A.G., Düsseldorf. Delivery was not made because West German authorities refused to give their permission. The pipe works is now being produced in East Germany itself at ABUS Wildau. Plans from Czechoslovakia were used to construct the installation. The pipe works will probably not be completed in 1953.
19. The Five Year Plan was worked out in approximately the same way as the annual production plan. In totals and in value the Five Year Plan will probably be fulfilled, but not according to the types of products originally planned.
20. The East German investment plan cannot be successfully implemented without importing from the West. If imports from West Germany were to be cut off completely, the plans would probably be fulfilled as far as values are concerned but not in respect to types of products. The following aspects from the West have, for the most part, not been fulfilled: machinery, spare parts for machinery, and nonferrous metals.
21. Actually more repairs should be made on equipment than are being made at present, but in order to fulfill the production plan only the most necessary repairs are undertaken; that is, only those repairs which are necessary to maintain production. The amount of funds available also plays a great role. In many cases not enough money is available to make all the repairs which any given plant considers necessary.
22. For the most part reparations orders have the highest priority. Second in importance are the so-called government orders, which are about on a level with SAC and key industries. Then come the peoples'-owned industries and finally all other plants.
23. The "Vertragssystem" is not working as planned. Contracts are supposed to be signed for production for an entire year. In some cases this is done, in others not, chiefly because at the beginning of the year factories do not know whether they will be in a position to fulfill the production plan. Also, they often do not have allocations for the raw materials needed for production. In many instances the contract courts intervene. Quite often the delivering factories refuse to conclude contracts because they have to pay fines if the contracts are not fulfilled.
24. Published figures on planned fulfillment are as a rule correct whenever they are given in percentages. The figures of the Statistics Central Office are supposed to be correct both in percents and quantities. They are only incorrect in cases where a factory falsifies reports.
25. Usable metallurgical coke has not yet been produced from brown coal. The first coke produced in this fashion would not burn at all, and coke currently being produced from brown coal cannot yet be used as metallurgical coke or blast furnace coke.

1/ Comment. For a sketch of the table of organization of the Ministry, see Attachment 1.

2/ Comment. As of late April 1953 it had not been decided which of the two men would be assigned the directorship.

3/ Comment. Thus, 764,050 metric tons of steel pig and 1,746,400 metric tons of scrap will be needed to fulfill 1953 planned production of crude steel. Other requirements for 1953 production can be calculated from the ore-processing plan (Moceller plan) for EWW, Calbe. (See Attachment 2)

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I. Minister - Office of the Minister

II. State Secretary -- Office of the State Secretary

<u>No. of Persons</u>	<u>Salary Rating</u>
1	E
1	E 2
1	E 6
1	E 10
1	E
1	E 2
1	E
1	VII

Total: 10

III. Legal and Contract Arbitration Office

<u>No. of Persons</u>	<u>Salary Rating</u>
1	E 9
1	1a
1	V
1	VI

Total: 4

IV. Control Department

<u>No. of Persons</u>	<u>Salary Rating</u>
1	E 10
1	E
1	E
1	VII

Total: 5

V. Departments under the Minister

A. Cadre Department

<u>No. of Persons</u>	<u>Salary Rating</u>
1	E 2
1	E 1
1	E
1	E 1
1	V
1	VII

Total: 7

B. Labor Department

<u>No. of Persons</u>	<u>Salary Rating</u>
1	E 8
1	1a
1	E
1	E
1	IV
1	VI
2	VII

Total: 17

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C. Planning Department

No. of Persons	Salary Rating
1	ES 6
2	ES 5
2	I
1	II
1	III
1	V
1	VII

Total: 9

D. Investment Department

1	ES 6
2	ES 5
4	II
1	V
2	VII

Total: 10

E. Material Procurement Department

1	ES 6
1	ES 5
2	I
2	II
1	III
1	VI
1	VII

Total: 9

F. Main Department for Scientific and Technical Development

1	ES 4
2	ES 5
3	I
3	II
1	III
1	IV
2	VII
1	ES 5
4	I
4	II
2	III
1	IV
2	VII

Total: 29

G. Commercial Department

1	ES 4
1	ES 5
5	ES 5
3	I
2	II
1	III
1	IV
1	V
1	VI
3	VII

Total: 24

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Attachment 1

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H. Marketing Department

<u>No. of Persons</u>	<u>Salary Rating</u>
1	III 7
3	IV
9	VII
3	VIII
1	IX
1	X
2	XII

Total: 24

I. Surveying and Prospecting Department

1	IX
1	I
2	IX
2	VII
1	IX 2

Total: 9

J. Budget

1	IX
1	I
2	II
1	III
2	IV
2	V 1

Total: 9

K. General Administration

1	IX
2	IX 1
1	IX
1	V
2	VII
1	VIII
2	IX

Total: 10

L. Motor Pool

1	IX 1
4	IX
5	VII
16	IX 1

Total: 26

VI. Main Administration for the Nonferrous Metals Industry

A. Secretariat

1	V 2
1	IX
1	IV

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B. Cadre

1

I

C. Labor

1

Ia

2

I

4

II

1

III

1

VII

1

VII

Total: 10

D. Planning

4

I

2

II

1

VII

Total: 7

E. Investments

2

Ia

2

II

1

VII

Total: 5

F. Material Procurement

1

Ia

1

I

4

VI

2

VII

Total: 8

G. Finance

2

Ia

2

I

2

IX

1

VII

Total: 7

H. Technical Director

1

Ia

1

II

1

I

Total: 3

I. Technical Department

4

Ia

2

I

2

VII

Total: 7

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2. Smelting

1	E 8
3	I
1	II
1	V
1	VII

Total: 7

3. Rolled Products

1	E 7
3	Ia
2	I
3	II
1	V
1	VII

Total: 511

4. Mining

1	E 8
4	Ia
1	V
2	I
1	VII

Total: 9

5. Main Mechanic Section

1	Ia
1	I
1	II
1	VII

Total: 4

6. Power Section

2	Ia
1	I

Total: 3

VII. Main Administration for the Iron Industry

A. Secretariat

1	E 2
1	II
1	IV

B. Cadre

1	Ia
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C. Labor

1	Ia
2	I
1	II
1	III
1	VIII

Total: 9

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D. Planning

<u>No. of Persons</u>	<u>Salary Rating</u>
3	I
3	II
2	III
1	VI
<u>Total: 9</u>	

E. Investments

2	II
2	III
1	VII
<u>Total: 5</u>	

F. Material Procurement

1	Ia
1	I
4	II
2	III
2	VII
<u>Total: 9</u>	

G. Finance

1	0 9
2	II
4	I
1	I
1	III
2	VII
<u>Total: 11</u>	

H. Technical Director

1	E 4
1	II
1	V
<u>Total: 3</u>	

1. Iron and Steel Production Department

1	E 6
2	Ia
5	I
3	II
1	V
2	VII
<u>Total: 14</u>	

2. Iron and Steel Processing Department

1	E 5
3	Ia
3	I
3	II
1	V
2	VII
<u>Total: 15</u>	

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3. Department for Subsidiary Plants of the Iron and Steel Industry

1	26
2	Is
2	I
1	II
1	V
1	VII

Total: 8

4. Iron Ore Mining Department

1	27
3	Is
1	I
1	V
1	VII

Total: 7

5. Technical Sections

5	Is
3	I
1	VII

Total: 9

6. Main Mechanic Sections

1	Is
2	I

Total: 3

7. Power Sections

3	Is
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Total: 3

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ORE PROCESSING PLAN - DISSEMINATED NEXT CALRE

Planned Requirements for November 1952 (Excluding normal losses through attrition)

Charge	Unit of Quantity	Material Consumption Norm per Ton of Pig Iron	Total Requirements (in Metric Tons)
Coke from Zwickau and from Imports	tons	(362,449
High-Temperature Coke	tons	(2.172	72,043
Metallurgical Coke	tons	-	-
Iron Ores from Bodeleben	tons	1.903	380,670
Iron Ores from Buchenberg	tons	0.950	190,000
Cast Iron Chips	tons	0.080	15,000
Steel Turnings	tons	0.220	44,000
Limestone	tons	2.500	500,000
Lignite Slag	tons	0.500	100,000
Manganese Slag	tons	0.035	7,000
TOTAL	tons	8.360	1,572,159

Planned Requirements for December 1952 (Including normal losses through attrition)

Charge	Unit of Quantity	Material Consumption Norm per Ton of Pig Iron	Total Requirements (in Metric Tons)
Coke from Zwickau and from Imports	tons	2.200	440,000
High-Temperature Coke	tons	0.440	88,000
Metallurgical Coke	tons	0.022	4,400
Iron Ores from Bodeleben	tons	1.901	380,200
Iron Ores from Buchenberg	tons	0.779	155,760
Cast Iron Chips	tons	0.080	15,000
Steel Turnings	tons	0.220	44,000
Limestone	tons	2.200	440,000
Lignite Slag	tons	0.500	100,000
Manganese Slag	tons	0.035	7,000
TOTAL	tons	6.377	1,578,360

Actual Requirements for November 1952

Amount produced: 5,605.5 tons pig iron

Charge	Unit of Quantity	Material Consumption Norm per Ton of Pig Iron	Total Requirements (in Metric Tons)
Coke	tons	2.833	16,054.095
Bodeleben	tons	3.285	18,071.200
Buchenberg	tons	0.029	162.192
Cast Iron Chips	tons	0.089	514.220
Steel Scrap	tons	0.297	1,721.400
Siemens-Martin Slag	tons	0.099	577.451
Rebeland Limestone	tons	1.161	6,491.435
Mixed Limestone	tons	1.176	6,567.022
Manganese Slag	tons	0.025	140.130
Lignite Slag	tons	-	-
TOTAL	tons	9.134	51,567.423

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Actual Requirements for December 1952Amount produced: 5,632.9 tons pig iron

<u>Charge</u>	<u>Unit of Quantity</u>	<u>Material Consumption Norm per Ton of Pig Iron</u>	<u>Total Requirements (in Metric Tons)</u>
Coke	tons	2.957	16,057.491
Ladleben	tons	3.032	17,246.479
Rechenberg	tons	0.055	194.445
Cast Iron Chips	tons	0.056	314.400
Steel Scrap	tons	0.300	1,687.470
Siemens-Martin Slag	tons	0.079	244.417
Hutchland Limestone	tons	2.036	11,363.436
Fixed Limestone	tons	1.439	8,103.448
Manganese Slag	tons	0.034	191.490
Lignite Slag	tons	0.007	41.440
TOTAL	tons	10.005	56,350.475

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